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May 23, 1997

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BY HAND DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, D.C. 20554

Re: Ex Parte Correspondence in CC Docket No. 96-98 and CC Docket No. 97-137

Dear Mr. Caton:

In response to a staff request, WorldCom, Inc., hereby addresses arguments made by Ameritech in the referenced dockets regarding the use of shared/common transport as part of the purchase of network elements in a platform configuration. 1/

Specifically, we address the following arguments: (1) that when unbundled local switching is employed in combination with the shared use of the incumbent local exchange carrier's ("ILEC's") interoffice transport network ("shared" or "common" transport) 2/, such use of unbundled elements is

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1/ We have not had the opportunity yet to obtain and review the application for Section 271 authority filed by Ameritech on May 21 in CC Docket 97-137. This letter is filed in that docket as well to the extent it is relevant to the issues raised by that application.

2/ For purposes of this letter, we use the term "common transport" as shorthand to refer to the shared use of Ameritech's interoffice transport network. The term "shared" transport often is used interchangeably with "common" transport, and is the term used by the Commission in the Interconnection Order. See, e.g., Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, 11 FCC Rcd 15499, 15718, ¶ 440 (1996) ("Interconnection Order"), pets. for review pending sub nom. Iowa

equivalent to the resale of retail local exchange service under Section 251(c)(4) of the Act; and (2) that investment in competitive local exchange facilities will be discouraged if the platform configuration described above is made available.

Attached to this letter, we also provide, for the record, documentation that shows that other Regional Bell Operating Companies ("RBOCs") in fact have indicated their willingness to make available at least some form of common transport as an unbundled network element.

I. Background

Requesting carriers have the statutory right to purchase ILEC network elements in any configuration or combination, in a manner that is as efficient as the way the ILEC itself uses those network elements, and on the same cost basis as the ILEC. Ameritech has sought to defeat this right by denying requesting carriers the right to purchase, as an unbundled network element, the use of the common interoffice transmission network in the same manner that Ameritech uses that network. Ameritech would accomplish this by denying requesting carriers the ability to employ the existing routing instructions resident in each end office switch to route traffic over the common transport network that Ameritech uses for transport of its own traffic.

Instead, Ameritech would force entrants to construct a virtual, duplicate interoffice network by requiring entrants purchasing unbundled local switching to create their own customized routing instructions for each end office switch and to obtain dedicated transport facilities from each end office (or provide their own). Ameritech's approach completely denies entrants the ability to share Ameritech's interoffice transmission facilities as required by the Act. Every other network element must be shared -- including the end office switch. Ameritech cannot justify carving out the interoffice part of its network and refusing to permit nondiscriminatory access to it.

Ameritech's approach also deprives requesting carriers of the ability to use the Ameritech network as it currently is configured -- with the existing routing algorithms in the switch acting to route traffic over the existing interoffice transmission network -- and thereby separates network elements

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Utilities Board v. FCC, No. 96-3321 (8th Cir.). See also id., 11 FCC Rcd at 15631, ¶ 258 (referring explicitly to "common transport" network element). However, because Ameritech has defined "shared transport" as a dedicated facility that more than one CLEC can share (but not with Ameritech), we here use the term "common transport."

that Ameriech currently combines, in violation of the FCC's rule that prohibits such separation except upon request. 3/

The entire thrust of Section 251(c)(3) is to enable local exchange competition quickly to proceed while carriers construct new local exchange facilities as they are economically justified. Congress recognized that it would take time to construct alternate local networks to duplicate the ILEC network, and that in order to successfully compete, new entrants would need to be able to employ existing ILEC networks in the meantime, taking advantage of the economies of scale that already exist in those networks. 4/

WorldCom has already discussed these points in detail in an April 16, 1997, ex parte filing in CC Docket No. 96-98, and in its comments in that docket filed last year. In this filing, we focus on the two specific questions to which the staff requested responses.

II. Use of unbundled loops, switching and shared transport in combination is not the same as resale of retail local exchange service.

The FCC's August 8 Interconnection Order addressed and squarely rejected arguments that network elements purchased in combination are equivalent to retail local exchange services under Section 251(c)(4). 5/ The plain language of Section 251(c)(3) requires incumbent LECs to permit requesting carriers to combine network elements. 6/ The mere act of combining elements does not convert network capability into a retail service offering, as the Commission also correctly concluded in the Interconnection Order. 7/ In that

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3/ 47 C.F.R. § 51.315(b) ("Except upon request, an incumbent LEC shall not separate requested network elements that the incumbent LEC currently combines.")

4/ "The incumbent LECs have economies of density, connectivity, and scale; . . . . the local competition provisions of the Act require that these economies be shared with entrants." Interconnection Order, 11 FCC Rcd at 15508-09, ¶ 11.

5/ Interconnection Order, 11 FCC Rcd at 15666-71, ¶¶ 328-41. This legal question is before the Eighth Circuit Court of Appeals for review.

6/ 47 U.S.C. § 251(c)(3).

7/ Interconnection Order, 11 FCC Rcd at 15666-71, ¶¶ 328-41.

order the Commission also exhaustively detailed the many differences between resale of retail offerings, on the one hand, and the use of combinations of network elements to *create* competing retail offerings, on the other. 8/

There is nothing about the use of common transport as a network element that would alter these fundamental conclusions. Shared use of Ameritech's interoffice transport network capability is no different than shared use of local switching or other network elements. Purchasers of other elements share, for example, the same switches, the same signaling network, the same databases, and the same operator services, that Ameritech uses. Ameritech nevertheless attempts to isolate the interoffice network capability and deny others the ability to share it. As we discuss below, Ameritech appears to be unique among the RBOCs in its steadfast refusal to provide common transport as an unbundled element.

At bottom, Ameritech is attacking the Commission's prior conclusion that the Act guarantees competitors the ability to purchase, pursuant to Section 251(c)(3), all network elements necessary to provide local exchange and exchange access service, rather than being deprived of this option and relegated only to reselling the incumbent LEC's retail offerings under Section 251(c)(4). That conclusion was correct and well-supported, and remains the same regardless of whether requesting carriers have chosen to employ common or dedicated transport.

The following are among the capabilities competitors have when employing network elements in combination that simply are not available to carriers reselling ILEC retail offerings:

1. Competitors can create their own retail service offerings, and are not bound to the design, pricing, timing, packaging, and scope of the incumbent LEC's retail services. Competition can occur across all these parameters. Resellers, in contrast, can do little more than mimic the ILEC's retail offerings because they are bound, as a practical matter, by all the above parameters as defined by the ILEC's retail offerings.

2. Competitors purchasing network elements are able to provide the full range of services over those elements that the ILEC can provide, including both retail local exchange and exchange access services. Resellers, in

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8/ Interconnection Order, 11 FCC Rcd at 15667-68, ¶¶ 332-34. Accord, Access Charge Reform, CC Docket No. 96-262, First Report and Order, FCC 97-158, ¶ 340 (released May 16, 1997) ("Access Reform Order").

contrast, are restricted by the nature of the ILEC's retail offerings and are not able to provide exchange access or exert any competitive pressure on access rates.

3. Competitors pay the full cost of the network components, and in turn recover those costs in their retail and exchange access offerings, just as the ILEC does. End user customers, in turn, will benefit from the price competition and service design competition made possible when the carrier is paying the actual cost of the underlying facilities. Resellers, in contrast, are limited to buying and reselling existing retail services, which are priced without any necessary relationship to the cost of the underlying network facilities.

4. Because purchasers of network elements are paying the actual cost of those facilities, they can create price pressure on services that today are often priced above cost, such as exchange access and vertical services. The Commission recognized that combinations of unbundled elements can create such market pressures on access rates in its recent decision in the Access Reform docket. 9/ Without such market pressures, prescriptive measures would be necessary to bring access rates to cost. By contrast, when resellers purchase local exchange service at a wholesale discount and resell it to their customers, the ILECs continue to provide the exchange access that enables interexchange carriers ("IXCs") to serve those customers.

5. Purchasers of network elements, including combinations of network elements, are considered to have their own facilities for purposes of eligibility for universal service support, unlike resellers of retail local exchange services. The Commission made this clear in its recent decision in the Universal Service docket. 10/

6. Pricing of network elements at cost is essential in order to send the correct investment signals to entrants. By denying entrants the ability to employ the existing ILEC interoffice network in an efficient manner, Ameritech would force entrants either to make inefficient and costly use of Ameritech's dedicated interoffice facilities, or to make uneconomic investments in competing facilities. As a practical matter, neither of these options, because of their high cost and inefficiency, is likely to make the platform configuration viable as a business matter.

9/ Access Reform Order, ¶¶ 337-340.

10/ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, FCC 97-157, ¶¶ 154-68 (released May 8, 1997).

7. The availability of network elements that can each gradually be replaced by a competitor's own facilities actually encourages new construction. It makes possible business plans that show breakeven sooner than any resale-plus-facilities-construction-only plans. Better business plans will attract more investment capital.

In contrast to network elements, resale provides a simpler entry option, and is useful for carriers that do not seek to design their own retail service offerings, to function as access providers, or to undertake the other obligations and risks associated with the purchase of unbundled network elements. For example, resellers do not have to create arrangements for billing interexchange carriers for access, and do not have to ensure that the rates for the services offered will cover the cost of the network elements ordered, as do purchasers of unbundled elements in combination. Resale therefore remains a useful option with distinct advantages and disadvantages compared with the option of entry via a combination of network elements. Service provision over a combination of network elements, however, while more complex than resale, gives requesting carriers a more powerful platform that provides a more comprehensive basis for full-service competition with the ILECs.

In sum, combinations of network elements provide entrants an entirely different competitive entry strategy than resale. Making common transport available as a network element in no way changes this fact.

III. The availability of a cost-based network element combination will not discourage investment in competitive local exchange networks.

Congress's decision to require ILECs to offer unbundled elements at reasonable, cost-based rates is not likely to inhibit facilities investment by competitive local exchange carriers ("CLECs"). Rather, that requirement is designed to ensure that the correct economic signals are sent to carriers seeking to invest in network facilities, and to make efficient use of the existing network. The FCC recognized the importance of this requirement when it adopted TELRIC pricing for unbundled elements. 11/ If the ILEC network elements are priced above their true economic cost, investors will be unwilling to finance above-cost construction by competitors of facilities that are used to compete with the ILEC services that are provided over the ILEC network. Capital therefore is unlikely to be available for such above-cost investment, even if it were justifiable from an economic point of view.

11/ Interconnection Order, 11 FCC Rcd at 15844, ¶ 672.

The fact remains that most CLECs would prefer to provide service over their own facilities rather than relying on their principal competitor, the ILEC. Reliance on a competitor for critical facilities creates significant business risks, including the risk of poor service quality and price increases. While the Act guards against these risks, it always is preferable where possible not to depend on the network of one's competitor and to have control over one's network. WorldCom's experience, and that of other CLECs, has been that operational and other issues make dependence on the ILEC network difficult and undesirable.

WorldCom's own experience provides vivid demonstration for this proposition. A few weeks after the FCC's August 8, 1996, interconnection decision, WorldCom announced the 12 billion dollar acquisition of MFS Communications, a leading facilities-based competitive local exchange carrier. WorldCom realized that, despite the important opportunity to purchase cost-based network elements from ILECs guaranteed by the Act and by the Commission's order, in the long term it would be better to own local network facilities to the maximum extent possible. During 1997 and the following years, moreover, WorldCom has definite plans to invest hundreds of millions of dollars to expand its existing local networks and to deploy network facilities in new markets. Twelve additional domestic cities are targeted for co-carrier facilties-based implementation by WorldCom between second quarter 1997 and second quarter 1998. WorldCom expects these plans to go forward regardless of the outcome of legal disputes regarding unbundled elements because of its interest in operating its own local network facilities as much as possible.

WorldCom thus intends to use the ILECs' unbundled network elements primarily as a transitional strategy, while it deploys its own local network facilities to the greatest extent possible. The availability of all network elements in combination is essential, however, to promotion of facilities construction, as discussed above at page 6. Unbundled network elements therefore will remain an important part of WorldCom's business strategy in the future -- particularly with respect to local telephone company facilities that are especially costly to duplicate. Yet the availability of those elements will not affect its overall plans for network investment.

# # # #

As required by 1.1206(a)(1) of the Commission's rules, two copies of this Notice are being submitted to the Secretary.

Sincerely,

Linda L. Oliver
David L. Sieradzki
Counsel for WorldCom, Inc.

Catherine R. Sloan /LLO

Catherine R. Sloan
Vice President, Federal Affairs
WorldCom, Inc.

Enclosures

cc: Richard Metzger
Paul Gallant
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Kalpak Gude
Jake Jennings
Florence Setzer
Vaikunth Gupta
Douglas Slotten
Edward Krachmer
John Nakahata
Jim Smith (Ameritech)

WorldCom , Inc.
Ex Parte Notice
May 23, 1997

APPENDIX

Common/Shared Transport Offerings of Other BOCs

The following are examples of instances in which other RBOCs have indicated their willingness to make available, either in Statements of Generally Available Terms and Conditions ("SGATs") that have been filed with State commissions 1/ or in Section 252 Interconnection Agreements, common transport as an unbundled network element. (WorldCom does not necessarily endorse these provisions of these SGATs and agreements as fully compliant with the Act and the Commission's rules; we simply note that, unlike Ameritech, these carriers include a common transport unbundled network element.) We have attached copies of relevant pages of the documents referred to below.

1. Bell Atlantic/NYNEX

a. Bell Atlantic (Pennsylvania): "BA shall provide Requesting CLEC local transport from the trunk side of BA's Central Office Switches unbundled from switching, unbundled interoffice transmission facilities, and other services in accordance with the terms and conditions specified herein and in applicable BA Tariffs." Bell Atlantic Statement of Generally Available Terms and Conditions, Pa. PUC at p.25, § 11.7 (filed April 3. 1997); see also id., Exh. A at 2 (providing rates for "common transport").

b. NYNEX (New York): "The Telephone Company provides Unbundled Transport between the following points: 1. Unbundled Common Transport between Telephone Company central offices." Petition of New York Telephone Co. forApproval of its Statement of Generally Available Terms & Conditions Pursuant to Section 252 of the Telecommunications Act of 1996, PSC Case No. 94-C-0095 and 97-C-0271, SGAT § 5.3.1 (filed Feb. 13, 1997); see also id. at p. 5-23, § 5.3.4.

1/ In some cases, the SGATs may not have become effective, either because they were rejected or have been withdrawn to be refiled at a subsequent time.

2. BellSouth

a. BellSouth (Kentucky): "Common Transport. Common transport is a shared transmission path used for the traffic of multiple carriers. Common transport is available between BellSouth end offices and between BellSouth end offices and BellSouth tandem switches." Statement of Generally Available Terms and Conditions for Interconnection, Unbundling and Resale Provided by BellSouth Telecommunications, Inc. in the State of Kentucky, p. 11 (1997); see also id., Att. C, pp.14-15, §§ 7.1-7.2 & Fig. 2.

b. BellSouth (Georgia): "Common transport is available between BellSouth end offices and between BellSouth end offices and BellSouth tandem switches." Statement of Generally Available Terms and Conditions for Interconnection, Unbundling and Resale Provided by BellSouth Telecommunications, Inc. in the State of Georgia, p. 10 (1997); see also id., Att. C, pp. 14-15, § 7.1 & Fig. 2.

3. SBC

a. Pacific Bell (California):

"Common Transport: Common transport will be available between PACIFIC End Offices and PACIFIC's Tandem Switch and either Party's connecting End Office, Tandem Switches or designated POI [(point of interconnection)]." Agreement between Pacific Bell and AT&T Communications of California, Inc., Att. 6, p.17 (effective Dec. 19, 1996).

"Shared Interoffice Transport: Shared transport will only be available where CLC purchases LSNE [local switching network element]. Shared transport provides call termination from a PACIFIC end office where LSNE is purchased and the terminating PACIFIC end office or POI where the call leaves PACIFIC's network." Application of Pacific Bell (U 1001 C) for Approval of its Statement of Generally Available Terms for Interconnection and Access, SGAT, Att. 6, § 5.1.4 (Cal. PUC, filed Feb. 19, 1997).

b. Southwestern Bell (Oklahoma): "Common Transport is a shared interoffice transmission path between SWBT switches. Common Transport will permit LSP to connect its Unbundled Local Switching element purchased from SWBT with Common Transport to transport the local call dialed by the Unbundled Local Switching element to its destination through the use of SWBT's common transport network."

Southwestern Bell, Statement of Terms and Conditions and Appendices, Oklahoma Corp. Comm. PUD 970-000020, Appendix UNE, § 8.1.1 (Jan 15, 1997), attached to Application by SBC Communications, et al. for Provision of In-Region, InterLATA Services in Oklahoma, App. - Vol. III, Tab 1.

4. **US West (South Dakota)**

"USWC will provide unbundled access to shared transmission facilities between end offices and the tandem switch. Further, USWC will provide unbundled access to dedicated transmission facilities between its central offices or between such offices and those of competing parties. . . . USWC will also provide all technically feasible transmission capabilities . . . that the CLEC could use to provide telecommunications services." US West Statement of Generally Available Terms, S.D. PUC TC96-179, § 6.2.B. (filed Oct. 29, 1996).

ATTACHMENT 1

Bell Atlantic

Bell Atlantic - Pennsylvania, Inc.
1717 Arch Street, 17th Floor
Philadelphia, Pennsylvania 19103
215 466-5177
FAX 215 568-3799

William J. Mitchell Jr., P.E.
Vice President - External Affairs

April 3, 1997

Docket P-00961137

Prothonotary
Pennsylvania Public Utility Commission
P.O. Box 3265
North Office Building
Harrisburg, Pennsylvania 17105-3265

Dear Sir:

In compliance with the Commission's March 13, 1997, Order in Docket P-00961137, Bell Atlantic is filing and hereby incorporates the attached Statement of Generally Available Terms and Conditions as part of its tariffs. This document will become part of the Company's tariffs and should be filed along with its other tariffs, informational tariffs and contracts on file with this Commission.

This tariff incorporates the interim rates approved in the MFSII and MFSII Compliance proceeding (now found in Pa. P.U.C. No. 216); the permanent wholesale discounts approved in Docket R-00963578 (now found in Pa. P.U.C. No. 1, Section 1, paragraph 8.1); and the interim call termination rates authorized by the Commission in its January 28, 1997 Universal Service Order in Docket I-00940035. This filing introduces new non-competitive services. This document is being filed on one day's notice and will become effective on April 4, 1997.

The operating revenues of Bell Atlantic - Pennsylvania, Inc. for the twelve month period ending September 30, 1996 were $2,244,864,000 and the number of customers served as of that date was 4,282,910.

All parties of record have been served with a copy of this filing by first class mail sent this date.

Sincerely yours,

ORIGINAL SIGNED BY
WILLIAM J. MITCHELL

Attachments

STATEMENT OF GENERALLY AVAILABLE TERMS AND CONDITIONS FOR INTERCONNECTION, UNBUNDLED NETWORK ELEMENTS, ANCILLARY SERVICES AND RESALE OF TELECOMMUNICATIONS SERVICES

Dated as of December 5, 1996

by

BELL ATLANTIC-PENNSYLVANIA, INC.

11.4.4 "4-Wire DS1-compatible ULL" provides a channel with 4-wire interfaces at each end. Each 4-wire channel is suitable for the transport of 1.544 mbps digital signals simultaneously in both directions using PCM line code. DS-1-compatible ULLs will be available where existing copper facilities can meet the specifications.

11.4.5 ULLs will be offered on the terms and conditions specified herein and on such other terms in applicable Tariffs that are not inconsistent with the terms and conditions set forth herein.

11.4.6 BA will make Analog 2-Wire ULLs available for purchase by Requesting CLEC in accordance with the schedule set forth in Schedule 3.0. BA will make BRI ISDN, Analog 4W ULLs and 4-Wire DS-1-compatible ULLs available for purchase by Requesting CLEC by the later of January 1, 1997, or the date when the ULL milestone contained in Schedule 3.0 is achieved in the LATA.

11.4.7 BA shall provide and maintain ULLs in accordance with the procedures set forth in Schedule 11.4.

11.5 Network Interface Device

At the request of Requesting CLEC, BA shall permit Requesting CLEC to connect Requesting Carrier's loop to the Inside Wiring of a Customer's premises through BA's NID in the manner set forth in Schedule 11.5. Requesting CLEC must establish the connection to BA's NID through an adjoining NID deployed by Requesting CLEC. The Customer shall be responsible for resolving any conflicts between service providers for access to Customer's premises and Inside Wire.

11.6 Unbundled Switching Elements

BA shall make available to Requesting CLEC the local Switching Element and tandem Switching Element unbundled from transport, local loop transmission, or other services in accordance with all Applicable Laws and as more fully described in Schedule 11.6.

11.7 Interoffice Transmission Facilities

BA shall provide Requesting CLEC local transport from the trunk side of BA's Central Office Switches unbundled from switching, unbundled interoffice transmission facilities, and other services in accordance with the terms and conditions specified herein and in applicable BA Tariffs.

11.8 Operations Support Systems

BA shall provide Requesting CLEC with access via electronic gateway interfaces to databases required for pre-ordering, ordering, provisioning, maintenance and repair, and billing

EXHIBIT A

BELL ATLANTIC - PENNSYLVANIA, INC.

DETAILED SCHEDULE OF ITEMIZED CHARGES

A. BA SERVICES, FACILITIES, AND ARRANGEMENTS: [1]

Service or Element Description:	Recurring Charges:	Non-Recurring Charge:
I. Local Call Termination[2]		
Traffic Delivered at BA End Office	$.001989/MOU	Not Applicable
Traffic Delivered at BA Tandem or Local Serving Wire Center	$.003097/MOU	Not Applicable
II. Unbundled Transport		
A. Dedicated Transport		
Voice Grade/DS-0	$11.08/Month & $.03/Mile/Month	Voice Grade/DS-0, DS-1, & DS-3: $15.49/Service Order, $377.50/Initial Facility & $25.62/Additional Facility (if purchased when initial facility ordered)
DS-1	$40.19/Month & $.71/Mile/Month	
DS-3	$562.15/Month & $19.92/Mile/Month	

[1] Unless a citation is provided to a generally applicable BA tariff, all listed rates and services available only to Requesting CLECs purchasing these services for use in the provision of Telephone Exchange Service, and apply only to Local Traffic and local Ancillary Traffic. BA rates and services for use by Requesting CLECs and other carriers in the carriage of Toll Traffic shall be subject to BA's tariffs for Exchange Access Service. Adherence to these limitations is subject to a reasonable periodic audit by BA.

[2] See note 5 regarding measurement and calculation of local traffic termination charges.

Service or Element Description:	Recurring Charges:	Non-Recurring Charge:
II. Unbundled Transport (Continued)		
B. Common Transport		
Tandem Switching	$.0008932/MOU	Not Applicable
Tandem-Switched Transport Fixed	$.0001624/MOU	Not Applicable
Tandem-Switched Transport Per Mile	$.0000046/MOU	Not Applicable
C. Entrance Facilities		
		All: $15.49/Service Order plus installation charges for each initial and additional facility purchased at the time of order:
2Wire Voice Grade Channel Termination	$19.65/Month	$530.49/Initial & $308.94/Additional
4Wire Voice Grade Channel Termination	$37.19/Month	$532.28/Initial & $309.53/Additional
DS-1 to Voice Grade Multiplexing	$83.07/Month	$584.93/Initial & $584.93/Additional
DS-1 Channel Termination	$198.86/Month	$713.33/Initial & $354.19/Additional
DS-3 to DS-1 Multiplexing	$274.94/Month	$584.93/Initial & $584.93/Additional
DS-3 Channel Termination	$1130.92/Month	$713.33/Initial & $354.19/Additional
D. Digital Cross-Connect System		
Service Establishment	Not Applicable	$2,017.99/Requesting CLEC
Database Modification	Not Applicable	$158.69/Modification Request
Reconfiguration by BA personnel	Not Applicable	$34.14 Programming Charge/Half Hour
DS-0 Cross-Connect	$21.92/Port/Month	$27.93/Port
DS-1 Cross-Connect	$76.76/Port/Month	$34.92/Port

ATTACHMENT 2

NYNEX
Legal Department
1095 Avenue of the Americas, New York, NY 10036

Donald C. Rowe
Counsel

212 395-7010

NYNEX

February 13, 1997

Honorable John C. Crary,
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Petition of New York Telephone Company for Approval of its Statement of Generally Available Terms & Conditions Pursuant to Section 252 of the Telecommunications Act of 1996

Dear Secretary Crary:

Enclosed please find for filing an original and five (5) copies of the Petition of New York Telephone Company for Approval of its Statement of Generally Available Terms & Conditions Pursuant to Section 252 of the Telecommunications Act of 1996. Copies of this document have been served by mail on all parties to P.S.C. Case No. 94-C-0095. Thank you for your kind assistance.

Respectfully submitted,

D C Rowe

Enclosure

STATEMENT OF GENERALLY AVAILABLE TERMS AND CONDITIONS FOR INTERCONNECTION SERVICES, ACCESS TO UNBUNDLED NETWORK ELEMENTS, RESALE TELECOMMUNICATIONS SERVICES AND ANCILLARY TELECOMMUNICATIONS SERVICES UNDER SECTIONS 251, 252 AND 271 OF THE TELECOMMUNICATIONS ACT OF 1996

Dated as of April 13, 1997

by

New York Telephone Company

d/b/a

NYNEX

5.2 Network Interface Device (Cont'd)

5.2.4 Rates and Charges (Cont'd)

Building Setup Service Cost - Per 50 Pair	$534.03
House and Riser Cable Service Installation Charge, - Per Occasion	Time & Material
Time: First 30 minutes	$66.09*
Subsequent 30 minute period or fraction thereof	$25.53*
TC Not Ready Charge	$66.09

* A dispatch of a technician during hours not sequential to that technician's normal scheduled tour of duty has a four-hour minimum charge.

5.3 Unbundled Interoffice Transmission Facilities

5.3.1 General

The Telephone Company provides access to unbundled Common transmission facilities between end offices and tandems and access to unbundled dedicated transmission facilities between the Telephone Company's central offices (COs) or between such offices and those of Telecommunications Carriers (TCs). This includes, at a minimum, interoffice facilities between end offices (EOs) and Serving Wire Centers (SWCs), SWCs and interexchange carriers' points of presence (IXC POP), tandem switches and SWCs, EOs or tandems of the Telephone Company, and the wire centers of the Telephone Company and the TC.

The Network Elements must be ordered individually and may be recombined as part of a network plan. Unbundled Interoffice Network Elements are: DS1, DS3, OC-3 and OC-12 Interoffice Transport, DS1 to DS0 and DS3 to DS1 Multiplexing and connection between multiplexers, G-Path. OC- 48 and STS-1 will be provided only as a Network Bona Fide Request (NBFR). Unbundled Interoffice Network Elements will be provided at central office cross connect points such as digital terminating frames. Access to network elements is provided through collocation, Customer Interface Panels (CIP) or other mutually agreed upon points of interface.

5.3 Unbundled Interoffice Transmission Facilities (Cont'd)

5.3.1 General (Cont'd)

The Telephone Company provides Unbundled Transport between the following points:

1. Unbundled Common Transport between Telephone Company central offices.
2. Dedicated Transport between EOs
3. Dedicated Transport between an EO and a Serving Wire Center (SWC)
4. Dedicated Transport between an EO or SWC and an IXC POP
5. Dedicated Transport between a Tandem Switch and an End Office
6. Dedicated Transport between an EO or SWC and a Telecommunications Carrier Location
7. Dedicated Transport between a Tandem Switch and an IXC POP
8. Dedicated Transport between a Tandem Switch and a Telecommunications Carrier Location
9. Dedicated Transport between a Company POI and a Telecommunications Carrier POI
10. Dedicated Transport between Tandem POI and a Telecommunications Carrier POI

The purpose of unbundled Interoffice Transmission Facilities is for use with other unbundled network elements for the provision of Telephone Exchange and Exchange Access Services. Rates are used in connection with provision of interconnection services as discussed in Section 4.

5.3.2. Definitions

In this section the definitions for Network Elements are as follows:

1. Synchronous Transport Signal - Level 1 (STS-1)

STS-1 provides a total bandwidth of 51.84 Mb/s, including both overhead and payload. An STS-1 is capable of transporting a single DS3 in any configuration (e.g., M13 formatted with multiplexed DS1s or clear channel 44.736 Mb/s) or up to the equivalent of 28 DS1s using SONET "VT" mappings. The interface to an STS-1 is a metallic-based electrical interface. This interface must comply with Bellcore GR-253-CORE which defines SONET requirements.

2. Optical Carrier Levels (SONET)

Optical Carrier (OC) levels provide a range of bandwidths as specified in Bellcore GR-253-CORE and associated ANSI standards. The Telephone Company will provide interfaces at the following OC levels:

OC Level	Rate (Mb/s)
OC-3	155.52
OC-12	622.08

5.3 Unbundled Interoffice Transmission Facilities (Cont'd)

5.3.4. Rates and Charges (Cont'd)

1. Unbundled Common Transport between an End Office and Tandem or between two Telephone Company End Offices may only be purchased in connection with Telephone Company Unbundled Switching.
This network element allows a TC access to Unbundled Common transmission facilities, routing on the same basis that the Telephone Company routes and delivers its' own traffic.

Unbundled Common Transport

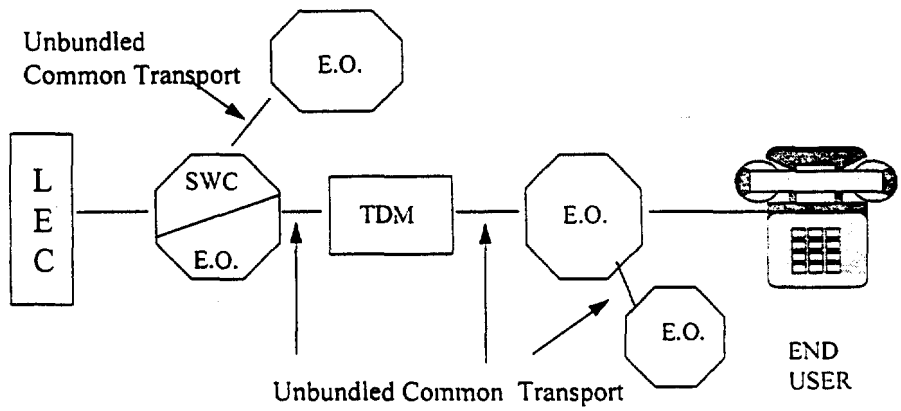

Diagram: 1

Billing Rate Structure:
Billing: The calls routed on the Unbundled Common trunks will be billed an unbundled common transport charge (UCTC) by Minutes of Use (MOU), rated from the Originating TC Node to a Telephone Company End Office based on a composite rate which includes directly routed traffic and Tandem routed traffic. The formula for calculation of this charge may be found in Section 5.6.1.6. The Minute Of Use Charge (MOU) will be aggregated at the Telephone Company switch and rounded up to the next whole minute each month.

STATEMENT OF GENERALLY AVAILABLE TERMS AND CONDITIONS FOR INTERCONNECTION, UNBUNDLING AND RESALE PROVIDED BY BELLSOUTH TELECOMMUNICATIONS, INC. IN THE STATE OF KENTUCKY

Pursuant to 47 U.S.C. § 252(f), BellSouth Telecommunications, Inc. ("BellSouth") makes the following terms and conditions generally available for the purposes of fulfilling its obligations under 47 U.S.C. §§ 251, 252(d) and 271. This Statement of Generally Available Terms and Conditions ("Statement") shall remain in effect for two (2) years from the date it takes effect under 47 U.S.C. § 252(f) following review by the Kentucky Public Service Commission. The filing of this Statement does not change or diminish BellSouth's willingness to negotiate individual agreements with Alternative Local Exchange Carriers. BellSouth has negotiated agreements with numerous Alternative Local Exchange Carriers. These agreements are open to inspection, and provide examples of detailed contractual language that has been used by BellSouth and other carriers. These agreements may be utilized by other parties.

This Statement uses the following abbreviations throughout:

A. ALEC means an alternative local exchange carrier certificated by the Kentucky Public Service Commission to offer and/or provide local telecommunications services in Kentucky.

B. Commission means the Kentucky Public Service Commission.

C. Telecommunications Act of 1996 ("Act") means Public Law 104-104, 110 Stat. 56 (1996) of the United States Congress effective February 8, 1996. The Act amended the Communications Act of 1934 (47 U.S.C. § 1, et seq.).

I. Interconnection (47 U.S.C. 251(b)(5) § 251(c)(2), § 251(c)(6), § 252(d)(1),(2), § 271(c)(2)(B)(i)

BellSouth provides ALECs interconnection with BellSouth's network for the transmission and routing of telephone exchange service and exchange access on the following terms:

A. Local Traffic. Local traffic means calls between two or more Telephone Exchange service users where both Telephone Exchange Services bear NPA-NXX designations associated with the same BellSouth local calling area or other authorized area (e.g., Extended Area Service Zones in adjacent local calling areas). Local traffic includes the traffic types that have been traditionally referred

D. Quality of Network Elements. BellSouth provides ALECs with unbundled local loops and sub-loop elements, and access to those elements, that is at least equal in quality to that which BellSouth provides itself where technically feasible. Attachment C contains detailed service descriptions, technical requirements and quality measures applicable to ALEC access to BellSouth unbundled network elements including local loops and sub-loop elements.

E. Ordering and Provisioning. BellSouth provides local loop and sub-loop element ordering and provisioning services to ALECs that are equal to the ordering and provisioning services that BellSouth provides to itself where technically feasible. Detailed guidelines for ordering and provisioning local loops and sub-loop elements are set out in the Local Interconnection and Facility Based Ordering Guide.

V. Local Transport From The Trunk Side Unbundled From Switching Or Other Services (47 U.S.C. §§ 251(c)(3), 252(d) and 271(c)(2)(B)(v))

BellSouth provides local transport from the trunk side of its switches unbundled from switching or other services under the following terms:

A. Local Transport Elements. Transport elements provide transmission paths that connect one location to another. BellSouth offers both dedicated and common local transport from the trunk side of its central office switches over a variety of transport media unbundled from switching or switch ports.

1. Dedicated Transport. Dedicated Transport is an interoffice transmission path used exclusively by a single carrier for the transmission of its traffic. Dedicated transport is available between BellSouth central offices and between BellSouth central offices and ALEC facilities. Transmission media available include DS-0, DS-1, DS-3 and optical cable.

2. Common Transport. Common transport is a shared transmission path used for the traffic of multiple carriers. Common transport is available between BellSouth end offices and between BellSouth end offices and BellSouth tandem switches. Transmission media available include DS-0, DS-1, DS-3 and optical cable.

3. Tandem Switching. Tandem switching establishes a communications path between two switching offices through a third switching office. BellSouth offers all the functionality of its tandem switches to ALECS unbundled from transport. Tandem switching includes the facilities connecting the trunk distribution frame to the switch, and all the functions of the switch itself, including those facilities that establish a temporary transmission path between two other switches as

6.2.2.6 BellSouth shall provide an electronic feed of customer call records in "EMR" format to an ALEC in accordance with the time schedule designated by an ALEC.

6.2.3 **Interface Requirements:**

With respect to Operator Services for calls that originate on local switching capability provided by or on behalf of an ALEC, the interface requirements shall conform to the then current established system interface specifications for the platform used to provide Operator Service and the interface shall conform to industry standards.

6.3 **Directory Assistance Service**

6.3.1 **Definition**

Directory Assistance Service provides local customer telephone number listings with the option to complete the call at the callers direction separate and distinct from local switching.

6.3.2 **Requirements**

6.3.2.1 Directory Assistance Service shall provide up to two listing requests per call. If available and if requested by an ALEC's customer, BellSouth shall provide caller-optional directory assistance call completion service to one of the provided listings, equal to that which BellSouth provides its customers. If not available, an ALEC may request such requirement pursuant to the Bona Fide Request Process of Attachment _____.

6.3.2.2 **Directory Assistance Service Updates**

6.3.2.2.1 BellSouth shall update customer listings changes daily. These changes include:

6.3.2.2.1.1 New customer connections: BellSouth will provide service to an ALEC that is equal to the service it provides to itself and its customers;

6.3.2.2.1.2 Customer disconnections: BellSouth will provide service to an ALEC that is equal to the service it provides to itself and its customers; and

6.3.2.2.1.3 Customer address changes: BellSouth will provide service to an ALEC that is equal to the service it provides to itself and its customers;

6.3.2.3 These updates shall also be provided for non-listed and non-published numbers for use in emergencies.

7. **Common Transport**

7.1 **Definition**

Common Transport is an interoffice transmission path between BellSouth Network Elements (illustrated in Figure 2). Where BellSouth Network Elements are connected by intra-office wiring, such wiring is provided as a part of the Network Elements and is not Common Transport. Common Transport consists of BellSouth inter-office transport facilities and is unbundled from local switching.

Figure 2

7.2 **Technical Requirements**

7.2.1 Common Transport provided on DS1 or VT1.5 circuits, shall, at a minimum, meet the performance, availability, jitter, and delay requirements specified for Central Office to Central Office "CO to CO" connections in the technical reference set forth in Section 9.2.4.31 of this Attachment 2.

7.2.2 Common Transport provided on DS3 circuits, STS-1 circuits, and higher transmission bit rate circuits, Common Transport shall, at a minimum, meet the performance, availability, jitter, and delay requirements specified for Central Office to Central Office "CO to CO" connections in the technical reference set forth in Section 9.2.4.30 of this Attachment 2.

7.2.3 BellSouth shall be responsible for the engineering, provisioning, and maintenance of the underlying equipment and facilities that are used to provide Common Transport.

7.2.4 At a minimum, Common Transport shall meet all of the requirements set forth in the following technical references (as applicable for the transport technology being used):

7.2.4.1 ANSI T1.101-1994, American National Standard for Telecommunications - Synchronization Interface Standard Performance and Availability;

7.2.4.2 ANSI T1.102-1993, American National Standard for Telecommunications - Digital Hierarchy - Electrical Interfaces;